

FISCAL NOTE

HB 437 - SB 847

February 19, 2005

SUMMARY OF BILL: Increases the homestead exemption to the fair market value of an individual's residence. Currently, the homestead exemption is \$5,000 for an individual, \$7,500 for a couple, \$12,500 for an individual 62 or older, \$20,000 for a couple where at least one of the individuals is 62 or older, and \$25,000 for a couple where both individuals are 62 or older.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Exceeds \$50,000

Decrease Local Govt. Revenues – Exceeds \$50,000

Assumptions:

- There would be a decrease in local government revenues to the extent that entities wholly or partially owned by the local government, including hospitals, would be unable to collect outstanding debt as a result of the expansion of the exemption.
- There would be a decrease in state revenues to the extent that state agencies, including the TennCare Bureau, would be unable to collect outstanding debt as a result of the expansion of the exemption.
- Any impact on state trial court caseloads could be absorbed within existing judicial resources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director